

However, the Commission specifically reserves the right to apply the Price Plan, or any modifications thereof, to the CLECs in the future if deemed in the public interest by the Commission following notice and hearing.

5. While operating under the Price Plan, an ILEC shall be responsible for its depreciation rates and schedules, and shall submit its Louisiana specific depreciation expenses to the Commission as part of its semi-annual reporting called for in subsection J below. All ILECs regulated under the Price Plan are prohibited from seeking any type of rate increase based on recovering any depreciation expenses or reserves. Should the Commission elect to return to traditional rate-base rate of return regulation or rate-base rate of return incentive regulation pursuant to subsection B below, the incremental effect of an ILEC's depreciation expense (i.e., assuming responsibility without customer rates) shall not be recognized in the rate base.

6. The Price Plan shall apply to all regulated services offered by the ILEC prior to the adoption of the Price Plan and to all Basic Services, Interconnection Services and Non-Basic Services introduced by the ILEC after adoption of the Price Plan.

#### **B. Term of Price Plan**

1. There shall be no specific term for the Price Plan. It is intended that the elements of the Plan remain in effect through the initial six (6) years of the Plan unless the Commission finds it in the public interest, after notice and hearing, to modify or eliminate the Price Plan and substitute in its place traditional rate-base rate of return regulation or rate-base rate of return incentive regulation, or any form of regulation deemed appropriate and in the public interest by the Commission.

2. The Price Plan shall be subject to complete review after three years from its effective date as to each ILEC regulated thereunder, and again during the sixth (6th) year of the Plan. As a result of its monitoring efforts and periodic Price Plan reviews, the Commission may, if deemed in the public interest after notice and hearing, modify any aspect of the Price Plan, including ordering its termination and substitution.

#### **C. Classification of Services under Price Plan**

1. Each telecommunications service offered by an ILEC shall be classified into one of the following three categories: a) Basic Services, b) Interconnection Services, and c) Non-Basic Services.

2. The service categories are defined as follows:

a. **Basic Services** - are those services required to provide basic local service to residential and single line business customers, which include, among others, each of the items comprising the definition of Universal Service as specified in Commission General

Order, dated May 22, 1995. Initially, Basic Services shall include the services itemized on Appendix "A" attached hereto and made part hereof.

b. Interconnection Services - are those services that allow other telecommunications services providers to interconnect to an ILEC's network to originate or terminate telecommunications services. Initially, Interconnection Services shall include the services itemized on Appendix "B" attached hereto and made part hereof.

c. Non-Basic Services - are all other services which are not classified as either Basic or Interconnection Services. Initially, Non-Basic Services shall include the services not itemized on either Appendix "A" or "B" attached hereto.

#### **D. Initial Rates under Price Plan**

1. An ILEC's initial rates under the Price Plan shall be the rates in effect immediately prior to implementing the Plan, as recalibrated to reflect the rate reductions implemented pursuant to the stipulated settlement referenced in subsection K below, for each individual Basic Service, each individual Interconnection Service, except cellular interconnection services subject to contractual arrangements, and each individual Non-Basic Service. The rate for each individual Basic Service may be reduced from these initial rates, subject to the price floors contained in subsection H below, but cannot exceed the initial rates under any circumstance for a period of five (5) years from the date the Plan becomes effective as to the ILEC. The rate for each individual Interconnection Service shall be similarly restricted for a period of three (3) years from the effective date of the Price Plan as to the ILEC.

#### **E. Tariffs**

1. An ILEC electing to be regulated pursuant to the Price Plan shall continue to be required to file tariffs with the Commission for all services in compliance with the terms and conditions of Section 401 of these Regulations, unless tariff requirements are exempted by the Commission by past or future rule or order.

#### **F. New Services and Reclassification of Services under Price Plan**

1. A new service is defined as a service, function, feature, capability or any combination of these which is not offered by the ILEC on the date the ILEC commences to be regulated pursuant to the Price Plan.

2. At least ten (10) working days prior to offering a new service, an ILEC shall file notice and a tariff with the Commission in accordance with Section 401 of these Regulations, which sets forth the rate, terms, conditions and proposed service category of the new service. Appropriate documentation and support related to the service classification and the proposed rate shall be provided.

3. Each July 1, the ILEC shall file a "Service Category Classification Report" with the Commission, which shall address the classification of new services and the reclassification of existing services. The Report shall identify all new services introduced during the 12-month period through May 31 of that year and provide the basis for the proposed market classification. The Report shall include any proposals for reclassifying any services, demonstrate the basis for the proposal and meet the requirements for reclassification as specified in the Plan.

4. The ILEC retains the burden of proof for all classifications and reclassifications of telecommunications services it proposes.

5. The Commission retains the right to approve, suspend or reject any proposal to introduce a new service, classify a new service or reclassify an existing service.

#### **G. Pricing Rules under Price Plan**

1. The initial rate of each individual service included in the Basic Services category as determined in subsection D above shall be capped for a period of five (5) years from the date the Price Plan becomes effective as to an ILEC. This means that the rate for any individual Basic Service may be reduced from its initial rate in accordance with the price floors but cannot exceed its initial rate under any circumstance for a period of five (5) years from the effective date of the Price Plan.

2. The initial rate for each individual service included in the Interconnection Services category as determined in subsection D above, with the exception of cellular interconnection services subject to contractual arrangements, shall be capped for a period of three (3) years from the date the Price Plan becomes effective as to an ILEC. This means that the rate for any individual Interconnection Service may be reduced from its initial rate in accordance with the price floors but cannot exceed its initial rate under any circumstance for a period of three (3) years from the effective date of the Price Plan.

3. After the first five (5) years that the Price Plan is in effect as to an ILEC, and during the sixth (6th) year only, an adjustment shall be made to the Basic Service category in the aggregate based on the Gross Domestic Product - Price Index (GDP-PI) minus a productivity offset of two and one-half percent (2.5%). For purposes of the pricing formula computation, if the GDP-PI is greater than five percent (5%), GDP-PI shall be assumed to be equal to five percent (5%). After the sixth (6th) year, the productivity offset shall be reevaluated by the Commission for application in the seventh and subsequent years.

4. The sixth (6th) and subsequent year price cap adjustments shall be effective April 1 of said years, and will be calculated using data for the "Test Year." The "Test Year" shall consist of data from the four most recent consecutive quarters available.

5. During the initial five (5) years of the Price Plan, no rate of an individual service

included within the **Basic Services** category shall be increased above its cap established in subsection D above. During the sixth (6th) and subsequent years, no rate of any individual Basic Service shall be increased by more than ten percent (10%) in any twelve month period.

6. During the initial three (3) years of the Price Plan, no rate of an individual service included within the **Interconnection Services** category shall be increased above its cap established in subsection D above. During the fourth (4th) and subsequent years, no rate of any individual Interconnection Service shall be increased by more than ten percent (10%) in any twelve month period.

7. Cellular interconnection is currently subject to contractual pricing arrangements between the ILECs and the cellular carriers. These contractual arrangements will remain in effect until their expiration. After expiration, cellular interconnection shall become part of the Interconnection Services category and the terms, conditions and rates shall comply with the provisions of the Price Plan.

8. The rates for the **Basic** and **Interconnection Service** categories may be reduced below their initial price caps as the ILEC deems appropriate subject to the restrictions of subsection H below.

9. The above price controls and price caps do not apply to rates and charges for services included in the **Non-Basic Services** category. Services so classified shall be rate deregulated, subject only to the price floor restrictions set forth in subsection H below, and the restriction that the rate for an individual service classified as **Non-Basic** shall not increase by more than twenty percent (20%) in any twelve-month period. **Non-Basic Services** shall not benefit from cross subsidy or revenue support from **Basic Services**.

10. Tying arrangements are prohibited.

#### **H. Price Floors under Price Plan**

1. The rate for each service shall equal or exceed the ILEC's total service long run incremental cost (TSLRIC) of providing the service unless specifically exempted by the Commission based on public interest concerns (e.g., provision of universal service); or, unless the ILEC, in good faith, prices a service below its TSLRIC to meet the equally low price of a competitor, and subject to applicable imputation standards adopted by the Commission in Docket No. U-20710 and in these Regulations.

2. The price floors as specified above shall remain in place for the duration of the Price Plan.

3. The methodologies regarding the development and application of the TSLRIC studies will be considered as part of the monitoring process set forth in subsection J below.

## **I. Contract Service Arrangements**

1. The tariffs currently in effect for Contract Service Arrangements will remain unchanged under the Price Plan; provided, however, an ILEC's contract service arrangements are subject to any applicable rules and procedures implemented in other sections of the Regulations, and all Contract Service Arrangements must specifically comply with the pricing rules and floors set forth in subsections G and H above.

## **J. Monitoring and Reporting Requirements under Price Plan**

### **1. Marketplace Data Submissions and Related Monitoring**

The Commission and its Staff shall monitor the development of competition in the telecommunications markets in Louisiana subsequent to the effective date of the Price Plan as to any ILEC. Upon request, an ILEC regulated under the Price Plan shall furnish the Commission, data related to the following:

- a. Changes in the marketplace.
- b. The impact of competition on the ILEC.
- c. The competitive status of services to determine the degree of competition in their provisioning.
- d. The impact of federal initiatives.
- e. The technical compatibility between carriers.
- f. Service performance of new market entrants.

The information will be used by the Commission to assess the impact of marketplace changes, the continued viability of the Price Plan, market impact of competition on ILECs, market impact of federal initiatives, appropriateness of service categories, technical compatibility between telecommunications services providers, service quality performance of all telecommunications services providers, and other issues arising from the entry of new providers of telecommunications services in the local market. The Commission reserves the right to establish new areas of inquiry and investigation.

### **2. Financial Reporting**

An ILEC regulated pursuant to the Price Plan shall file semi-annually, Louisiana specific company basis reports excluding Commission adjustments and returns as specified in Appendix

"C" hereto. An ILEC regulated under the Price Plan shall continue to report to the Commission on an interstate, intrastate, and non-regulated basis. A Small ILEC regulated under a price plan shall continue to file all reports and data required to be filed with the Commission pursuant to Order No. U-21181, dated June 30, 1995. In addition, an ILEC regulated under the Price Plan shall furnish the Commission the following data within thirty days of issuance:

- a. Annual Reports of the ILEC and parent corporation.
- b. Forms 10Q and 10K of the ILEC and parent corporation.
- c. Proxy statements containing financial data not in annual reports.
- d. Shareholder Newsletters.
- e. ARMIS Reports.

3. Service Quality

ILECs regulated pursuant to the Price Plan shall furnish the Commission the following service quality data on a semi-annual basis for monitoring by the Commission and its Staff:

- a. Commission Complaints per 10,000 access lines for ILECs with more than 100,000 access lines; or Commission Complaints per 100 access lines for ILECs with less than 100,000 access lines.
- b. Percentage Installation Appointments Offered within Five (5) Days of Service Contact.
- c. Percentage Installation Appointments Met.
- d. Total Network Repair Reports per 100 Access Lines.
- e. Average Duration (Hours) Special Services - Complex.
- f. Percentage Out of Service Troubles Cleared within 24 Hours.
- g. Overall Residence Satisfaction.

The data described above shall be segregated by the ILEC so that the Commission can monitor and evaluate separately the ILEC's service quality performance for Basic Services. If the Commission finds as a result of monitoring that the ILEC's service quality is substandard in any one of the above listed categories, the Commission may, after notice and hearing, take action as it deems necessary and proper to assure a desirable level of service quality, including imposing a

monetary penalty not exceeding ten thousand dollars (\$10,000) per violation.

**4. Periodic Reviews of the Price Plan**

The Commission shall review the Price Plan at the end of the third (3rd) year of the Plan with particular attention to the following issues:

- a. The status of universal service.
- b. The ILEC's compliance with Plan rules and reporting requirements.
- c. Just and reasonable rates (as determined without reference to a rate of return or other rate base proceeding).
- d. Modification to Plan parameters.
- e. Service quality.
- f. The consumer and marketplace impacts of price regulation.
- g. The status of competition in all markets and its impact on consumers and on the ILECs.
- h. The continuation of price caps on the Interconnection Services category subsequent to the third year of the Price Plan.

The Commission shall conduct a review of the following during the sixth (6th) year of the Price Plan:

- a. The status of universal service.
- b. Service quality performance.
- c. The consumer and marketplace impacts of price regulation.
- d. The degree of technological change in the marketplace.
- e. The impact of federal initiatives on Louisiana telecommunications markets.
- f. The status of competition in all markets and its impact on consumers and on the ILECs.
- g. The ILEC's compliance with Plan pricing rules and reporting requirements.

- h. Just and reasonable rates (as determined without reference to a rate of return or other rate-based proceeding).
- i. Modifications to, or termination of the Plan.
- j. The continued viability of the Price Plan.

Adjustments or modifications based on the findings resulting from the Periodic Reviews will be implemented on a prospective basis. Any further reviews of the Plan, including periodic update of Plan parameters, will be considered.

#### **K. BellSouth Annual Rate Reductions**

1. Pursuant to the terms and conditions of the stipulation entered in Subdocket E of Docket No. U-17949 (the "Stipulation"), BellSouth shall provide to its ratepayers seventy million dollars (\$70,000,000) in rate reductions over the initial three (3) years that BellSouth is regulated under the Price Plan, and shall additionally provide a one time nine million dollar (\$9,000,000) credit to its ratepayers during the first year BellSouth is regulated under the Price Plan. These reductions shall be made according to the Stipulation and applied as determined by the Commission.

#### **L. Miscellaneous Provisions**

1. During the Price Plan, an ILEC regulated thereunder shall notify its customers of any change in the rate for services offered using the same procedures in effect at the implementation of the Price Plan.
2. Rather than limit or restrict an ILEC's commitment to universal service and to the ILEC's fulfillment of Essential Telecommunications Carrier obligations, the Price Plan is intended to strengthen and reaffirm such commitments.

### **SECTION 801. Number Portability**

A. TSPs providing local telecommunications services shall provide number portability that ensures that an end-user customer of local telecommunications services, while at the same location, shall be able to retain an existing telephone number without impairing the quality, reliability, or convenience of service when changing from one provider of local telecommunications services to another. The type of number portability contemplated by this rule is service provider portability and not location portability.

B. The end-user customers of a CLEC shall not be required to dial the telephone number of an ILEC's end-user customer in any way other than that required of the ILEC's



end-users.

C. The end-user customers of an ILEC shall not be required to dial the telephone number of a CLEC's end-user customer in any way other than that required to dial other end-users of the ILEC.

D. As of the effective date of these Regulations, and as an interim measure, remote call forwarding and direct inward dialing, as specified below, shall be made available to a CLEC according to the following guidelines: 1) within sixty (60) days of receipt of a request, an ILEC shall make the requested interim number portability solution available at a reasonable cost-based charge agreed to between the parties, or 2) if within sixty (60) days of receipt of a request, an agreement is not reached between the parties, the matter will be resolved by the Commission upon petition of either party. As part of the Commission's review of the matter, the ILEC shall provide TSLRIC and LRIC studies to the Commission which show the cost of providing the requested interim number portability solution. There is no mandate that the interim number portability solutions be provided by the ILEC to CLECs at its TSLRIC or LRIC of providing such services.

E. Once the costs studies specified in Section 901.C below are filed with the Commission, the Commission shall establish a reasonable cost-based rate at which an ILEC shall make the interim number portability solutions available to other TSPs. There is no mandate that the interim number portability solutions be provided by the ILEC to CLECs at their TSLRIC or LRIC of providing such services.

F. The CLEC is required to arrange for transport facilities to the central office where portability is sought. A CLEC shall reciprocate by offering number portability to an ILEC under the same arrangements.

G. In order to implement remote call forwarding, an ILEC's tariffed remote call forwarding service shall forward any call to a ported number to trunk groups associated with the CLEC. The central office switch where the number resides should be programmed to reroute calls from the called number to a new number located in a different switch. Both the end-user customer of, and the caller to a remote call forwarding number should be unaware of the second number. Should technology change in the future this method may be modified by the Commission.

H. In order to implement the direct inward dialing option, all incoming calls to the ported number shall be routed to the ILEC end office. From there it should then be routed via the direct trunk group to the CLEC switch. Because direct inward dialing is normally provisioned in groups of 20 numbers, ILEC policies shall be changed to allow a single number to be identified as a direct inward dialing number. Should technology change in the future this method may be modified by the Commission.

I. At the earliest possible date all TSPs shall cooperate and use their best efforts to design, develop and deploy number portability databases, associated connections and/or other arrangements to achieve a permanent number portability solution.

J. The costs associated with development and deployment of a permanent number portability solution, such as a database, or other arrangement, shall be recovered from all TSPs using or benefitting from such a solution.

## **SECTION 901. Interconnection**

A. Interconnection of the local telephone networks at reasonable rates is essential to local telephone competition. Competing networks shall be interconnected so that customers can seamlessly receive calls that originate on another carrier's network and place calls that terminate on another carrier's network without dialing extra digits, paying extra, or doing any other such action out of the ordinary that is not required when dialing on his/her own carrier's ILEC or CLEC network. TSPs should be interconnected with the ILECs in a manner that gives the TSPs seamless integration into and use of local telephone company signaling and interoffice networks in a manner equivalent to that of the ILECs. Interconnection shall include access to switches, databases, signaling systems and other facilities or information associated with originating and terminating communications.

B. Based on current traffic and market conditions in the CMRS industry, mandatory CMRS-to-CMRS interconnection is not required by the interconnection obligations of this Section (901). However, providers of CMRS and PMRS are encouraged to develop interconnection arrangements among themselves and with other TSPs which foster the Commission policy of promoting the interconnection of competing networks so that customers can seamlessly receive and place calls originating and terminating on other carriers' networks.

C. Physical Interconnection for purposes of utilizing unbundled basic network components of ILEC networks:

1. Physical interconnect charges between and among TSPs shall be tariffed and based on cost information. The cost information derived from both TSLRIC and LRIC studies shall be provided to the Commission. This information will be used by the Commission to determine a reasonable tariffed rate. There is no mandate that interconnection services be provided by the ILEC to TSPs at its TSLRIC or LRIC of providing such services.

2. ILECs must conduct within ninety (90) days from the effective date of these Regulations the TSLRIC and LRIC studies on all basic network service components and file such studies with the Commission. Basic network components shall include, without limitation, network access, switching and switch functions, transport (dedicated and

switched) and ancillary services.<sup>5</sup>

3. Physical interconnection tariffs shall be filed in accordance with Section 401.

D. Exchange of local traffic between competing carriers shall be reciprocal and compensation arrangements for such exchange shall be mutual. That is, TSPs shall pay the same rate to each other for the termination of calls on the other's network. This rate will equal the intrastate switched access service rate - less the residual interconnection charge and the carrier common line charge - on a per minute basis.

E. No ILEC or CLEC shall pay any other ILEC or CLEC for more than 110% of the minutes of use of the provider with the lower minutes of use in the same month. For example, if TSP number one has 10,000 minutes of local traffic terminated on TSP number two's network, and TSP number two has 15,000 minutes of local traffic terminated on TSP number one's network, TSP number two will compensate TSP number one on the basis of 11,000 minutes (10,000 minutes x 110%). Such an arrangement avoids significant payment differences due to a traffic imbalance.

F. ILECs and CLECs shall file reports with the Commission Secretary on April 1st of each year which show by month the volume of local terminating traffic delivered to ILECs or CLECs during the previous year.

G. Interconnections arrangements established pursuant to Commission Docket No. U-18976 shall remain in effect until January 1, 1999, unless otherwise modified by the Commission.

H. TSPs shall be required to enter into reciprocal, mutual billing and collection agreements which ensure that each TSP can accept other TSPs' telephone line numbers based on nonproprietary calling cards; and, ensures that each TSP can bill and collect on collect calls and on calls billed to a third number served by another TSP.

I. The ILECs shall not limit the ability of a TSP to provide and carry operator services traffic.

J. CLECs shall have access to 911 connectivity where provided by an ILEC under the same terms and conditions enjoyed by the ILEC.

K. TSPs shall be afforded nondiscriminatory access to each other's data bases as follows:

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<sup>5</sup>Re A Methodology to Determine Long Run Incremental Cost, 156 PUR 4th 1, Michigan Public Service Commission, Case No. U-10620, September 8, 1994.

1. **Directory Assistance and Line Information databases** - TSPs shall be permitted to input their customers' telephone numbers and any pertinent account data into the ILEC directory assistance and line information databases. TSPs shall also be permitted to access any customer's number from the TSP directory assistance and line information databases in order to provide directory assistance service to its customers or to obtain billing name and address.

2. **Public Interest Services** - TSPs shall have equal access to provide their customer numbers and address information to 911 providers, whether these providers are the ILEC or independent service bureaus.

3. **TSP Service Databases** - TSPs shall be provided access to TSP service databases (e.g., 800, line information, AIN) through signaling interconnection, with functionality, quality, terms, and conditions equal to that provided by the TSP to itself and its affiliates. TSPs will be charged tarified rates for database queries equal to that charged to interexchange carriers for the same functions. The TSPs will impute the tarified rates of database access to it services.

4. **No TSP shall access the customer proprietary network information ("CPNI")** of another interconnecting TSP for the purpose of marketing its services to the interconnecting company's customers. Likewise, no TSP shall access the CPNI of a company reselling its services, without permission of the reseller, for the purpose of marketing services to the reseller's customers.

L. TSPs shall develop mutually agreeable and reciprocal arrangements for the protection of their respective customer proprietary network information.

M. Nothing in this Section (901) shall be construed as authorizing the concentration of access lines in contravention of the prohibitions contained in Commission Orders U-16462 and U-17957-C.

N. All TSPs holding a certificate from the Commission are prohibited from providing interconnection services to non-certificated TSPs, unless the non-certificated TSP is exempt from the Commission's certification requirements pursuant to state or federal law or explicit Commission order.

## **SECTION 1001. Unbundling**

A. All TSPs shall be able to purchase desired features, functions, capabilities and services promptly and on an unbundled and non-discriminatory basis from all other TSPs provisioning services within the State.

**B. Unless exempted pursuant to Section 202 above, an ILEC shall provide unbundled loops, ports, signaling links, signal transfer points, and signaling control points to a requesting TSP upon the effective date of these Regulations.**

**C. Unless exempted pursuant to Section 202 above, after the effective date of these Regulations, an ILEC shall provide additional unbundling within ninety (90) days of receipt of a bona fide request from a TSP. Additional unbundled basic network components shall include, but not be limited to:**

- 1. Logical components within the loop plant, including loop distribution, loop concentration, and loop feeder.**
- 2. End office and tandem switching.**
- 3. Operator systems.**
- 4. Common and dedicated transport links.**

**D. TSPs shall be able to interconnect with all unbundled basic network components at any technically feasible point within an ILEC's network. Access, use and interconnection of all basic network components shall be on terms and conditions identical to those an ILEC provides to itself and its affiliates for the provision of exchange, exchange access, intraLATA toll and other ILEC services.**

**E. As specified in Section 901 above, rates for utilizing unbundled basic network components of ILEC networks and interconnection thereto shall be tariffed and based on cost information. There is no mandate that unbundled elements be provided by the ILEC to TSPs at its TSLRIC or LRIC of providing such elements.**

**F. ILECs shall put into place a service ordering, repair, maintenance, and implementation scheduling system for use by TSPs, which is equivalent to that used by the ILECs and their affiliates for their own retail exchange services. Data pertaining to service and facility availability shall be made available to TSPs in the same manner used by the ILECs and their affiliates.**

**G. ILECs shall include on a non-discriminatory basis the telephone numbers of CLEC customers in the ILECs' (including ILEC affiliates') "White Pages" residential and business listings, "Yellow Pages" listings, "Blue Pages" government listings, and directory assistance databases associated with the areas covered by such publications in which the CLECs provide local telecommunications services either through resale or its own facilities. CLEC customers requesting to be omitted from such directories shall be omitted.**

**H. CLECs shall provide to the ILEC (including ILEC affiliate) publishing "White Pages",**

**"Yellow Pages", and "Blue Pages" directories the names, addresses and telephone numbers of all CLEC customers that do not wish to be omitted from such directories. The entries of CLEC customers in ILEC directories shall be interspersed alphabetically among the entries of the ILEC customers and shall be no different in style, size or format than the entries of the ILEC customers.**

**I. ILECs shall, upon request of a CLEC, provide White, Yellow and Blue Pages directories to CLECs' customers.**

**J. TSPs shall allow nondiscriminatory access to their poles by other TSPs for pole attachments pursuant to Commission General Order dated December 17, 1984.**

**K. TSPs shall allow nondiscriminatory access to their conduits and rights-of-way by other TSPs for the provisioning of local telecommunications services.**

#### **SECTION 1101. Resale**

**A. To encourage and promote competition in the local telecommunications markets, all facilities based TSPs shall make unbundled retail features, functions, capabilities and services, and bundled retail services available for resale to other TSPs.**

**B. No facilities based TSP may impose any restrictions on the resale of its unbundled retail features, functions, capabilities and services, and bundled retail services provided that resale is of the same class of service and category of customer.**

**C. TSPs shall revise their existing tariffs to remove any prohibitions on the resale of unbundled retail features, functions, capabilities and services, and bundled retail services within thirty (30) days of the effective date of these Regulations. TSPs filing initial tariffs shall not include in such tariffs any prohibitions on resale of unbundled retail features, functions, capabilities and services, and bundled retail services.**

**D. During the transition to a competitive local telecommunications market, ILEC unbundled retail features, functions, capabilities and services, and bundled retail services, including vertical features, shall be tariffed and provided to other TSPs at reasonable wholesale rates based on cost information. The cost information shall be derived from the cost studies mandated in Section 901.C.2 above. These studies shall be provided to the Commission in accordance with the provisions of Section 901.C.2. This information will be used by the Commission to determine the ILEC's tariffed wholesale resale rates. There is no mandate that resold services be provided by the ILEC to TSPs at its TSLRIC or LRIC of providing such services.**

**E. As of the effective date of these Regulations, and as an interim measure until the tariffed wholesale resale rates are developed pursuant to subsection D above, the wholesale resale**

rates of an ILEC shall be the ILEC's current tariffed retail rates reduced by 10% to encourage and promote competition in the local telecommunications markets, and to reflect the ILEC's avoidance of retail costs, including but not limited to, sales, marketing and customer services associated with the resold items. ILEC services currently tariffed and provisioned below cost shall be available for wholesale resale in the manner described above. If deemed necessary by the Commission to ensure universal service, a subsidy mechanism may be established in Subdocket A of Docket U-20883, which would be available to an ILEC reselling services shown to be provisioned below cost for public interest purposes.

F. An ILEC shall make available non-discriminatory online access to the ILEC's operating systems at a reasonable cost-based charge per database dip to TSPs that desire to resell ILEC features, functions, capabilities and services. This access shall be made available according to the following guidelines: 1) within sixty (60) days of receipt of a bona fide request, the ILEC shall make the requested access available at a reasonable cost-based charge agreed to between the parties, or 2) if within sixty (60) days of receipt of a bona fide request, an agreement is not reached between the parties, or the ILEC responds that the request is not technically and/or economically feasible to provide, the matter will be resolved by the Commission upon petition of either party. As part of the Commission's review of the matter, the ILEC shall provide TSLRIC and LRIC studies to the Commission which show the cost of providing the requested access, including a detailed explanation of why the requested access is not technically or economically feasible to provide the requesting TSP.

G. Access shall be available to the following:

1. Direct, on-line access to the ILECs' mechanized order entry system. Access shall be considered adequate when the provided access permits the reseller to access an ILEC's mechanized order entry system to place initial orders, access information concerning service and feature availability, modify orders previously entered, schedule the installation of services and any necessary equipment, and to check on the status of all transactions that the reseller has initiated in a manner at least as efficient as the access provided the ILEC's own employees.

2. On-line access to numbering administration systems and to numbering resources.

3. Direct on-line access to the ILECs' trouble reporting and monitoring systems. Access is considered adequate if reseller can directly access remote line testing facilities, report service problems, schedule premise visits where required, and check the status of repairs. Arrangement must also provide for interception and automatic forwarding of repair calls placed by reseller customers to the reseller.

4. Customer usage data. Resellers must be provided timely on-line and printed reports pertaining to the Reseller's customers usage of ILEC local calling and switched

access services.

5. To local listing databases and updates. Resellers should be able to add, modify and delete directory listings for the Reseller's customers via on-line access to the ILEC's directory database, and new reseller customers' listings should be available from Directory Assistance on precisely the same basis and in the same time frame as applies for new ILEC retail subscribers.

This access shall equal that provided to the ILECs' own personnel. The Commission and its Staff will monitor the progress, or lack thereof, made in this area, and, if deemed necessary after notice and hearing, will impose an additional transitional resale discount on an ILEC's features, functions, capabilities and services until an ILEC's operating systems are accessible by TSPs on the terms specified herein.

H. No TSP shall access the customer proprietary network information ("CPNI") of another interconnecting TSP for the purpose of marketing its services to the interconnecting company's customers. Likewise, no TSP shall access the CPNI of a company reselling its services, without permission of the reseller, for the purpose of marketing services to the reseller's customers.

I. All ILECs shall offer an optional, unbundled version of their retail services that allows the reseller to use its own operator services and directory assistance services.

J. All ILECs shall offer these resold services to the resellers as "unbranded" services.

## **SECTION 1201. Consumer Protection.**

A. All TSPs shall comply with all applicable statutes and Commission rules, regulations, orders and policies regarding customer billing, deposits, provisioning of service and the handling of complaints.

B. The following additional consumer protection rules shall apply to all TSPs:

1. Any solicitation by or on behalf of a TSP to a customer to terminate his/her service with another provider and switch his/her service to a new TSP shall include current rate information of the new provider and all other information regarding the service(s) to be provided including, but not limited to the terms and conditions under which the new provider will provide the service(s). Upon request of a customer, a TSP shall provide the customer information pertaining to the technical differences between the services provided by the customer's former TSP and the new TSP. All information provided shall be legible and printed in a minimum point size of type of at least 10 points. Failure to provide this



information to the customer shall result in a fine of \$500 for each violation in addition to any other fine and/or penalties assessed.

2. In order to switch a customer from one TSP to another TSP, the new provider must obtain a signed and dated statement from the customer prior to the switch indicating that he/she is the subscriber of the telephone service for a particular telephone account and number, that he/she has the authority to authorize the switch of service to the new provider and that he/she does authorize the switch. This signed statement must be a separate or severable document whose sole purpose is to authorize the switch of the customer's TSP. The signed statement cannot be contained on the same document as promotional material, a registration to enter a contest or a form to contribute money to a charity.

Among other fines and/or penalties, the TSP making an unauthorized switch shall be subject to a fine not exceeding ten thousand dollars (\$10,000) per unauthorized switch, required to pay the costs of switching that customer back to the customer's previous provider and required to refund to the customer amounts paid to the provider during the unauthorized service period and extinguish any other amounts due by the consumer and not billed and/or paid. All TSPs are responsible for the actions of their agents that solicit switches in an unauthorized manner and/or result in unauthorized switches.

3. A printed bill must be supplied to each customer at least once a month.

4. All billing for local telecommunications services must be presented for payment to the consumer within sixty (60) days of the date the consumer incurs the charge.

5. The customer's bill shall show the name of the TSP rendering service on behalf of the customer as opposed to the underlying carrier.

6. An address and a toll free telephone number for billing inquiries shall appear on each bill sent to the customer.

7. Interim dispute resolution procedures including interrupt and disconnect of services procedures, detailing how a customer can dispute a charge, lodge a complaint, and/or appeal to the Commission must be filed with the Commission and supplied to the customer upon request. The Commission will remain accessible to hear customer complaints as well as to resolve disputes among carriers regarding a customer complaint or problem. Final dispute resolution procedures are currently being considered by the Commission. When developed and approved, TSPs must comply with these procedures.

8. Customers must be given 30 days notice of any increase in price which is in

excess of 5% of the current price.

9. No termination fees will be permitted for residential and single line business basic local services.

10. No TSP can unilaterally and arbitrarily limit the amount of charges a customer can incur on his/her account regardless of whether the charges are for local, long distance or other toll charges unless the customer has a billed, outstanding balance due. Credit limits may be established when service is initiated, before charges are incurred or at any time upon an agreement between the TSP and customer.

11. No TSP may release nonpublic customer information regarding a customer's account or calling record.

12. No TSP may unilaterally place a block on its customer's telephone service when a particular amount of charges have been incurred and the customer has not been presented the opportunity and a reasonable amount of time to pay or make other payment arrangements to pay the charges. For inmate pay phone systems, a customer's telephone may be blocked from the receipt of calls from an inmate facility only if the TSP has a blocking policy submitted in a tariff format approved by the Commission.

C. TSPs must file the service standard reports delineated in Section 302 in order to insure that consumers receive timely, adequate and quality service.

D. The arrival of competition will not necessarily obviate the need of those whose incomes entitle them to assistance from the Lifeline Fund or similar fund. When appropriations become available for the Lifeline Fund, all TSPs shall be required to participate therein.

E. Violation of any statute or Commission rule, regulation, order or policy applicable to regulated TSPs may result in the imposition of monetary fines, penalties and/ or the revocation of the a providers certificate.

#### **SECTION 1301. Miscellaneous Provisions**

A. Application. It is the intent of the Commission that these Regulations shall apply to all TSPs over which the Commission has regulatory authority. To the extent the Commission's regulatory authority over any particular TSP or over certain conduct or services offered or provided by any particular TSP is expressly preempted, then these Regulations shall be interpreted in a manner which recognizes all such preemptions so long as such preemption remains in effect.

**B. All provisions of Order No. U-17949-N, dated October 18, 1991, are unaffected by these Regulations and shall remain in effect unless contrary to or inconsistent with the goals and/or provision(s) of these Regulations, in which case the provision(s) of these Regulations shall preempt and supersede all affected provisions of Order No. U-17949-N. However, the Commission hereby rescinds Ordering Paragraph Nos. "10", "11" and "12" of Order No. U-17949-N.**

**C. Severability. If a court of competent jurisdiction finds any provision of these Regulations to be invalid or unenforceable as to any TSP or circumstance, such finding shall not render that provision invalid or unenforceable as to any other TSPs or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of these Regulations in all other respects shall remain valid and enforceable. In addition, in the event any provision of these Regulations is stayed in connection with a judicial review of these Regulations, the remaining provisions of these Regulations shall remain valid and enforceable.**

## **APPENDIX A**

### **LOUISIANA BASIC SERVICES**

#### **Local Basic Service, including calling options.**

Basic Local Service  
Subscriber Line Charges  
Statewide Rate Schedules (flat, measured and message)  
Monthly Exchange Rates  
Local Measured/Message Rated Service  
Expanded Local Calling Area Service  
Link-Up Service  
Joint User Service (5 or less subscribers)  
Local Option Calling Plans (LOS and LOSB)  
Local Saver Service  
Local Tele Thrift  
Party Line Service  
Local Exceptions  
Public Telephone Service  
Semi-Public Access Line

#### **Local Ordering, Installation, and Restoral**

Basic Service Connection  
Trouble Determination Charges  
Dual Service  
Link Up

#### **Other Services**

Directory Listing  
TouchTone  
Customized Code Restriction  
Blocking Service and Emergency Network Services  
Directory Assistance (within local service area)  
Local Operator Verification/Interrupt

## **APPENDIX B**

### **LOUISIANA INTERCONNECTION SERVICES**

#### **Interconnection Services**

**Basic Serving Arrangement**  
**Carrier Common Line Access**  
**Clear Channel Capability**  
**Common Channel Signaling Access Capability**  
**Common Switching Optional Features**  
**Dedicated Network Access Line (DNAL)**  
**Direct Inward Dialing (DID) or DID/Direct with LSBA**  
**DID/Direct Outward Dialing (DOD) Access with LSBSA**  
**DID or DID/DOD with BSA**  
**800 Access Service**  
**Line Side Basic Serving Arrangement (LSBSA)**  
**Local Switching**  
**Local Transport**  
**Network Blocking Charge for Feature Group D**  
**Network Access Register Package**  
**Trunk Side Access Facility**  
**Trunk Side BSA**  
**900 Access Service**  
**Analog Services**  
**Dedicated Access Lines for TSPs**  
**Custom Network Service**  
**Digital Data Service**  
**High Capacity Service**  
**Metallic Service**  
**Voice Grade Analog Service**  
**Customer Owned Coin Operator Telephone (COCOT) Services Access Line**  
**Interconnection for Mobile Service Providers (includes cellular mobile)**





LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NO. U-17949- II

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NUMBER U-17949  
and U-17949 (SUBDOCKET A)

ex parte

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In re: Investigation of the Revenue Requirements, Rate Structure, Charges, Services, Rate of Return, and Construction Program of South Central Bell Telephone Company in its Louisiana Intrastate Operations, Appropriate Level of Access Charges and all matters relating to the Rates and Services rendered by the Company - Continuing Earnings Investigation. (Expiration of reserve deficiency amortisation and rate reductions attributable thereto.)

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At the Commission's open meeting on December 7, 1993, the Commission voted to recognize and enforce the November 10, 1993 expiration of South Central Bell's ("Bell") reserve deficiency amortization. The Commission, however, deferred consideration of which Bell rates to reduce as a result of the expiration until the Commission's open meeting on February 2, 1994.

Special Counsel reported (both orally and pursuant to written reports) to the Commission at its open meeting on February 2, 1994, that the aggregate amount of the rate reduction arising from the expiration of Bell's reserve deficiency amortization was \$47,096,000.00. Additionally, Special Counsel reported to the Commission that it must decide whether Bell's rate reductions should be effective on February 1, 1994 or March 1, 1994. If February 1 is the effective date, then the rate reduction credit amount, calculated with interest at the rate of \$11.20%, is \$10.596 Million. If March 1 is the effective date, then the rate reduction credit amount is \$14.637 Million. Additionally, Special Counsel reported to the Commission that it must decide the mechanism to deliver the rate reduction credit amount to ratepayers and whether any adjustments or allocations should be made to the rate reduction credit amount. Special Counsel recommended that Bell be ordered to return, subject to any

EXHIBIT

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Commission ordered adjustments or allocations, the rate reduction credit amount to ratepayers in the form of a one-time credit on their monthly bills. Finally, Special Counsel, as with all Commission ordered rate reductions by Bell, recommended that the Commission, through protective measures and monitoring, verify that the rate reductions are actually occurring. Specifically, the protective measures and monitoring recommended by Special Counsel are:

(a) The Commission will verify through monitoring that the proposed rate reduction tariffs will in fact accomplish the projected rate reductions;

(b) In subsequent months, the Commission will confirm through monitoring that the filed tariffs will actually yield an aggregate rate reduction of not less than \$47,096,000;

(c) The acceptance of the tariffs shall be specifically conditioned on the requirement that the aggregate impact of the reduced rates set forth in the tariffs filed by Bell must produce a total rate reduction in an amount not less than \$47,096,000, and in the event that the total rate reduction is determined to be less than that amount, Bell will be required to take measures to assure additional rate reductions in the amount of the deficit (adjusted as necessary for the amount of time that the effect of such rate reduction has been delayed); and

(d) If any of the tariffs filed by Bell are successfully challenged, and not implemented or only partially implemented, new tariff filings will be required to accomplish the rate reductions.

In assessing the reports of Special Counsel and the rate reduction options available to the Commission, the Commission finds that rate reductions should be applied to achieve reductions in the residential and business monthly TouchTone<sup>®</sup> charge, intrastate switched access, intraLATA MTS rates, zone charges, the monthly rates charged to residential ratepayers in metropolitan New Orleans, and an education discount for schools and libraries. Further, the Commission finds that the rate reductions by Bell should be effective March 1, 1994 and that the rate reduction credit amount should be delivered to ratepayers in the form of a